



Infrastructure MBA

National Clean Cities Conference

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# *The Economics of Refueling*

## ✚ Station Costs

- ▣ Public Sites
- ▣ Private Sites

## ✚ Number of Vehicles

- ▣ Gallons Used Per Year

## ✚ Costs of Fuel

- ▣ Street Price or Annual Contract Price

## *Public versus Private Fueling??*

- ✿ Public Sites Allow for Multi-Fleet Usage
- ✿ Public Sites Build AFV Awareness
- ✿ Public Sites Allow for Corridor Access
  
- ✿ Private Sites can work for captive fleets with certain level of fleet size
- ✿ Private Sites can utilize larger storage tanks which allow for lower fuel costs

# *Private Fuel Station Case Studies*

## ✿ Texas Dept of Transportation

- ❑ No Local Fuel Stations
- ❑ Fuel Supplier provides site equipment
- ❑ 4,666 Propane Vehicles Statewide
- ❑ 220 Fueling Locations Statewide
- ❑ Over 5 million gallons dispensed per year
- ❑ Fuel Costs managed by annual bid process
- ❑ Fuel Station Costs Averages \$12,000

# *Private Fuel Station Case Studies*

## ✿ Dallas County School

- ✻ 6 Metro Fuel Stations for easy access
- ✻ Stations feature latest technology and 15,000, 18,000 & 30,000 gallon storage tanks
- ✻ Over 850 buses use propane daily
- ✻ Over 1.7 million gallons used per year
- ✻ Fuel Costs managed by utilizing transport delivery and averages \$500,000 savings per year
- ✻ Station Costs Averages +/- \$125,000

# *Private Fuel Station Case Studies*

## ✿ Schwan's

- ✻ Over 7,500+ Medium & Light duty delivery vehicles with over 7,000 dedicated service
- ✻ Some 650 fuel locations nationwide
- ✻ Some 45 million gallons used per year
- ✻ Over 190 million miles per year
- ✻ Over 2 billion miles logged using Propane
- ✻ Station Costs absorbed in fuel contract
- ✻ Station Costs averages \$12,000

# *CleanFUEL USA Public Site Plan*

## The Four P's For Alt Fuel Infrastructure Success

### ✚ Passion

- ▣ The desire to keep going even on the tough days

### ✚ Partnering

- ▣ Utilization of others' strengths to gain efficiencies and become more effective overall

### ✚ Promotion

- ▣ Communicate, Educate and lots of good ole PR

### ✚ Profit

- ▣ Business case must show profitability

# *CleanFUEL USA Public Site Plan*

- ⊕ Network of Public Propane Fuel Stations
- ⊕ 24-Hour Self Serve Pay-at-the-Pump
- ⊕ Located at Existing Fuel Stations - easy to find!
- ⊕ *Guaranteed Lower Price Than Gasoline - Year Round*





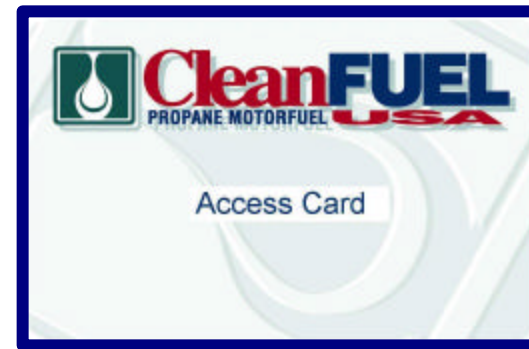
# *CleanFUEL USA Public Site Plan*

- Similar Equipment at each Site
- Gasoline Style Dispenser
- Card Reader In-Dispenser
- Fully Electronic System
- Small Footprint of skid: 12' X 6' or a parking space



# *CleanFUEL USA Public Site Plan*

- ✿ Easy to pay for
- ✿ Access Card for Training Accountability
- ✿ All Major Cards Accepted
- ✿ Fleet Management Reports



# *CleanFUEL USA Public Site Plan*

- ⊕ Fast Fill-ups: 15 Gallons per Minute.
- ⊕ Fuel Where You Need It
- ⊕ Fuel When You Need It
- ⊕ Propane Means Less Frequent Fueling
- ⊕ Propane Means More Room and Less Weight
- ⊕ Pay for Fuel Your Way



# *CleanFUEL USA Public Site Plan*

## ✿ Station Economics

- ✿ Station Costs - \$40,000
- ✿ Vehicles: Year 1 15    Year 2: 30
- ✿ Total Count After 3 years equal 45 vehicles
- ✿ Average of 2500 gallons per vehicle/year
- ✿ Price per gallon profit of 15 cents per gallon
- ✿ ROI is 28.9% with 3 year payout

# *CleanFUEL USA Public Site Plan*

- ⊕ Program Pilot – Denver
- ⊕ Station Partner – Conoco
- ⊕ Propane Marketer – AmeriGas
- ⊕ OEM Partner - Ford Motor Co.
- ⊕ 10 Stations in Metro-Denver (by 7-15-02)
- ⊕ 25 Stations on the Front Range by end of '02
- ⊕ Average fuel sold per site equals 3500/month
- ⊕ Joint Marketing with Ford Motor Co.

# *CleanFUEL USA Public Site Plan*

## ☼ Targeted Cities for CFUSA

- |   |          |           |
|---|----------|-----------|
| ☼ Phoenix/Tucson  | 8 sites  | mid 2002  |
| ☼ Central California  | 10 sites | mid 2002  |
| ☼ Metro Atlanta   | 6 sites  | mid 2002  |
| ☼ Texas Triangle  | 20 sites | mid 2003  |
| ☼ Metro Chicago   | 6 sites  | late 2002 |
| ☼ Others include Kansas City, Salt Lake City, Philadelphia, Las Vegas, San Diego, Los Angeles, and more!! |          |           |
| ☼ International Opportunities: Canada, Mexico, Peru, Chile, India, China, and the Caribbean               |          |           |

# *CleanFUEL USA Public Site Plan*

- ⊗ Retail Gasoline Partners
  - ⊠ Conoco and others
- ⊗ Retail Propane Marketers
  - ⊠ Distribution/Logistics with our Nationwide Consortium of Marketers
- ⊗ Fleet Customers
  - ⊠ Public and Private Fuel Options
- ⊗ OEM's
  - ⊠ Must have variety of vehicle choices for fleet managers
- ⊗ Above Partners Equals Program Success

# *CleanFUEL USA Public Site Plan*

✿ And Our Favorite Propane Customer??





President Bush &  
“Propane One”  
A Ford F-250 SC  
Bi-Phase LPEFI



Shelley Launey, Director, Clean Cities  
Bruce Toellner, Devon Energy & PERC  
Michael Williams, Chrm., Texas Railroad Comm.



**Crawford Ranch Fuel Station,  
Ranch Foreman Kenneth Englebrecht**